



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 12, 1996

Roger Smith
Energy Fuels Nuclear
2555 North Highway 89A
HC 64 Box 152
Fredonia, Arizona 86022

Re: Status for Bond Release, Energy Fuels Nuclear, Patti Ann Mine, M/037/003, San Juan County, Utah

Dear Mr. Smith:

The Division performed a site inspection of the Patti Ann mine site on August 18, 1994, in order to examine revegetation/reclamation success at the site. At the time of our inspection, the revegetation success on the portion of the site located to the north of the main access road was satisfactory. The backfilled/regraded portal entry on the south side of the main access road appeared stable, although vegetation success was limited here. According to our records, the site was reclaimed in 1992 which means the vegetation has survived two growing seasons as of the inspection date.

The western portion of the site had some areas of satisfactory revegetation success, but the majority of the area had not revegetated well. Vegetation on the wasterock dump outcrops was virtually non-existent. This area will need to be inspected again to determine reclamation success before we can grant final release of the site and reclamation surety. The Division typically requires three growing seasons for revegetation to meet the 70% standard of success. Due to the minimal revegetation success in some areas, the Division continues to hold a partial reclamation surety bond for revegetation purposes only. Because this site involves federal lands, the BLM will need to be in agreement before the Division can grant full release.

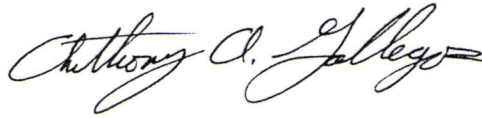
With the onset of winter, we will wait until spring (late March or early April) to perform an inspection of the revegetation success at the Patti Ann mine. We will contact the BLM to coordinate a joint agency inspection. In the spring of 1996 a portions of the site will have survived four growing seasons. Spring is generally the best time to evaluate revegetation success in order to observe the vegetation at it's fullest.



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We appreciate Energy Fuels Nuclear's efforts in performing the required reclamation on the Patti Ann site. Mr. Holland Shepherd is now working for the State of New Mexico, and I have been assigned to cover his portion of the state. If there are any problems with this schedule, please notify me or my supervisor, Wayne Hedberg.

Sincerely,

A handwritten signature in cursive script, reading "Anthony A. Gallegos". The signature is written in dark ink and is positioned above the printed name.

Anthony A. Gallegos
Senior Reclamation Specialist

jb
cc: Sal Venticinque, BLM, Grand RA
M37-03.rel